

# Prevailing Wage Data

Senate Interim Committee on Labor Reform – August 16, 2017

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## Introduction

My office and I have prepared the following information to assist the Interim Committee on Labor Reform with its study of Missouri's Prevailing Wage Law. With data provided by the Missouri Department of Labor, we have determined the number, dollar value, and project owner type of Missouri's \$2 billion in public works projects.

Our findings suggest that substantial savings can be generated for Missouri's political subdivisions as the vast majority of their projects are under the \$500,000 prevailing wage threshold that I proposed during regular session. I also believe we can increase competition for these projects by eliminating reporting requirements and moving to a simpler model for meeting prevailing wage requirements.

Many of charts presented here exclude MoDOT because MoDOT reliance on federal funds will preclude them from achieving many savings from state-based prevailing wage reform.

Two of our most important findings are that 84.06% of public works projects (excluding MoDOT) are under \$500,000 and local governments and colleges account for the vast majority of those projects.

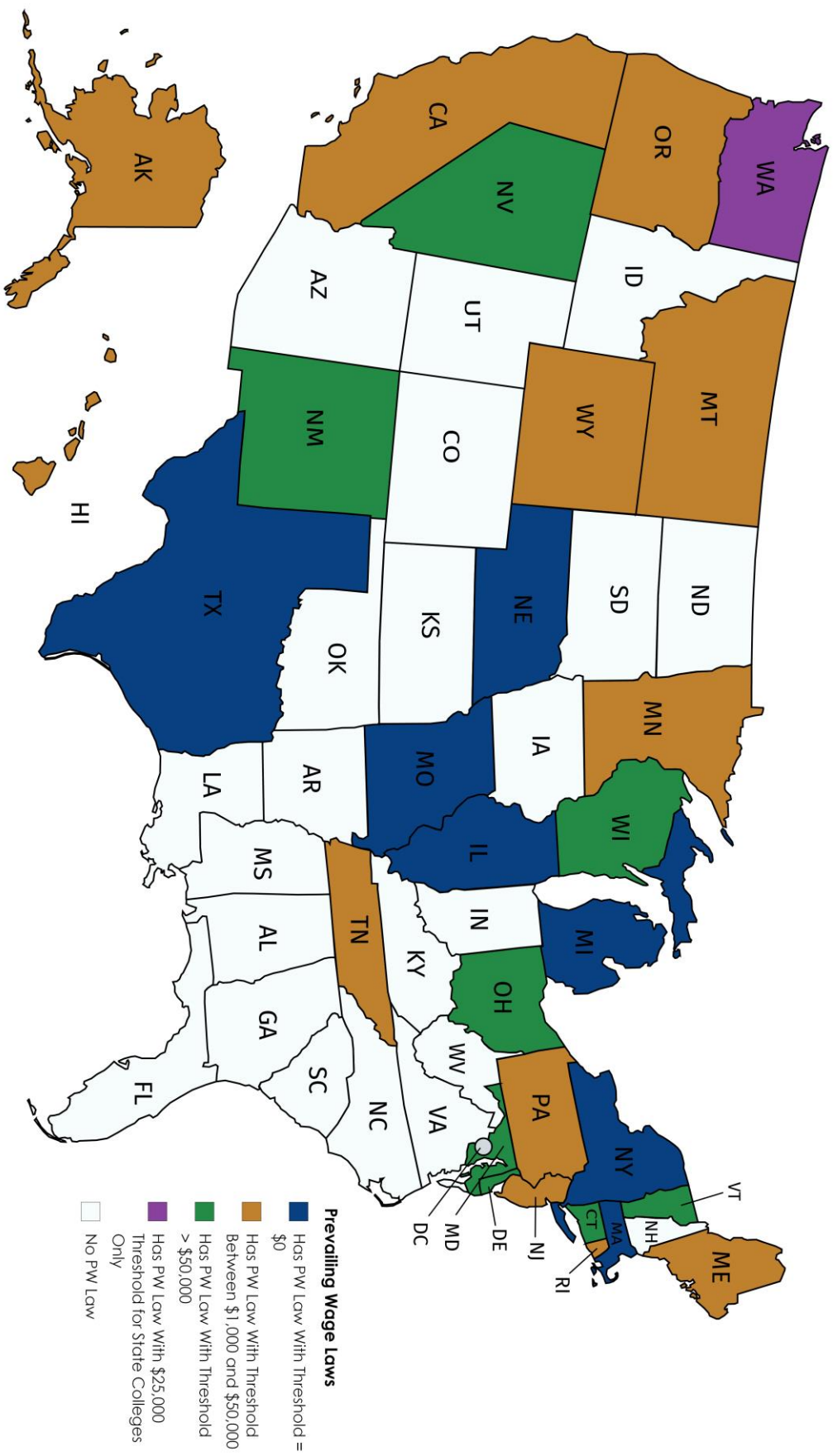
Regarding hourly wages, we worked with the Center for Applied Research and Environmental Systems (CARES) to index some of the most common prevailing wage job classifications and compare those prevailing wages to county average wages as reported by the Missouri Economic Research and Information Center (MERIC). We selected these common prevailing wage job classifications by total hours in the classifications as reported to the Missouri Department of Labor.

We have found that prevailing wages are typically twice as much as county average wages. Our survey of contractors shows that the labor cost on projects averages 32.4%. Using a conservative cost savings estimate of 10% by adopting county average wages as the minimum wage on projects over \$500,000, would save \$123,786,365 on non-MoDOT public works (there is \$1,157,747,526 in non-MoDOT public works projects). Savings could be greater than 10% on projects under \$500,000.

This report also includes a survey of contractors on their firsthand experience with how much of a public works project's cost is labor and a survey by the Missouri Municipal League on how their members feel about Missouri's Prevailing Wage Law.

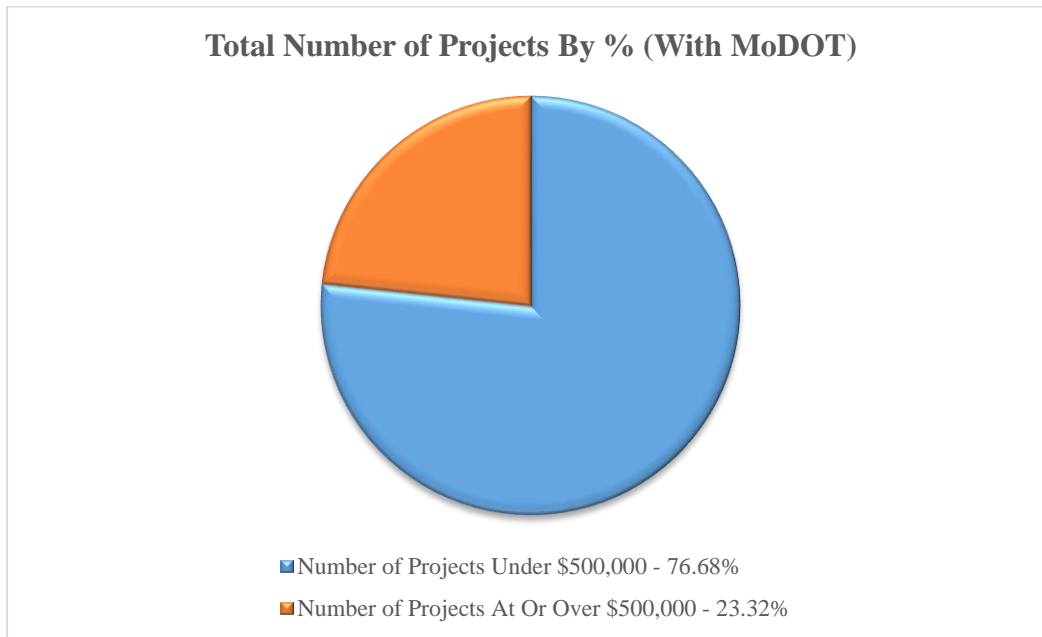
I believe the time for prevailing wage reform has come and I am hopeful this study committee can make a recommendation to the full Senate that allows for greater competition in the public works market, while also giving our local governments and educational institutions the flexibility they need to save taxpayer dollars. I made a proposal during session for reform, but I am always open to suggestions.

Senator Dave Schatz  
District 26  
Chairman, Interim Committee on Labor Reform

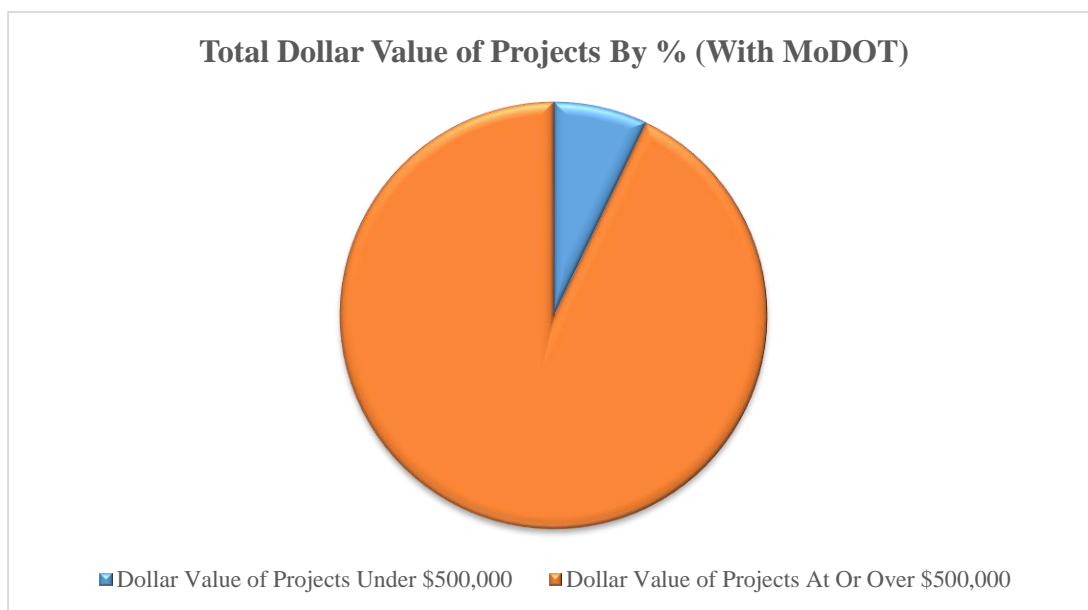


## Project Owner Type and Dollar Value of Public Works Projects

<b>TOTAL NUMBER OF PROJECTS: 2281</b>	<b>Number</b>	<b>%</b>
Number of Projects Under \$500,000	1749	76.68%
Number of Projects At Or Over \$500,000	532	23.32%

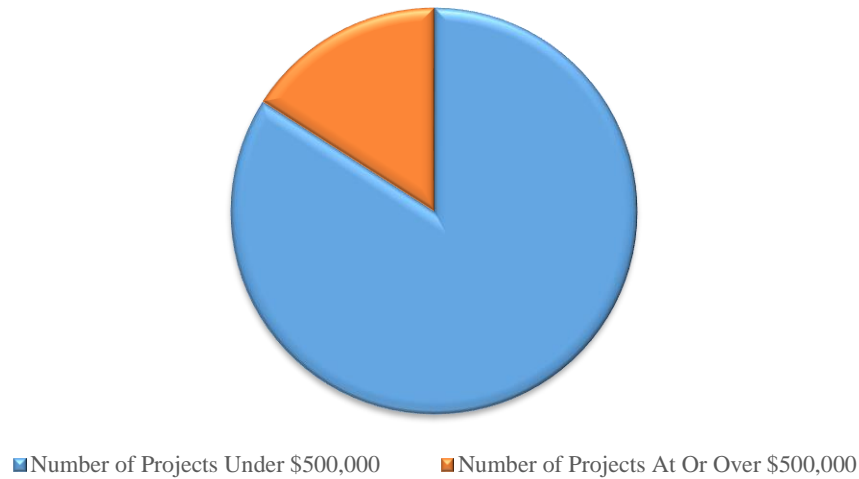


<b>Total Dollar Value of Projects: \$1,950,944,266.58</b>	<b>Dollar Value</b>	<b>%</b>
Dollar Value of Projects Under \$500,000	\$137,982,265.05	7.07%
Dollar Value of Projects At Or Over \$500,000	\$1,812,962,001.53	92.93%



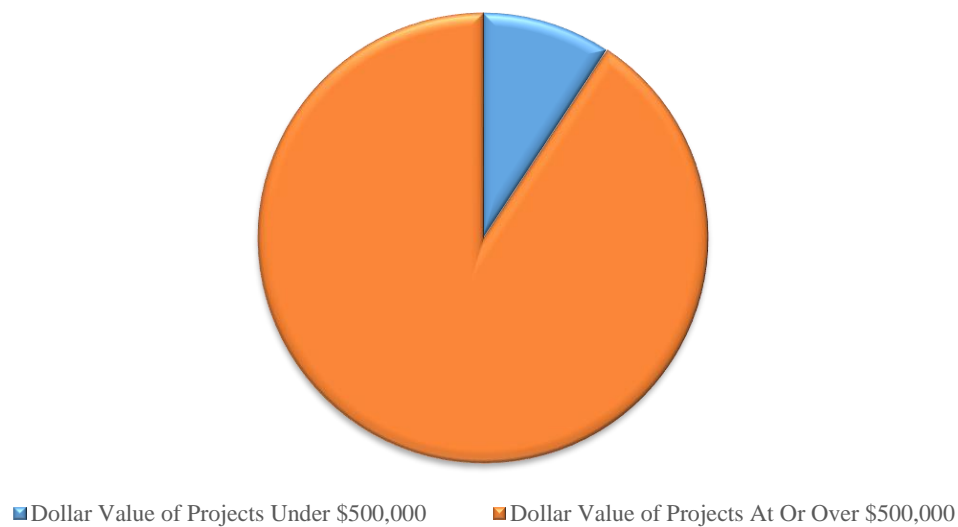
<b>TOTAL NUMBER OF PROJECTS WITHOUT MoDOT: 1932</b>	<b>Number</b>	<b>%</b>
Number of Projects Under \$500,000	1624	84.06%
Number of Projects At Or Over \$500,000	308	15.94%

**Total Number of Projects By % (Without MoDOT)**



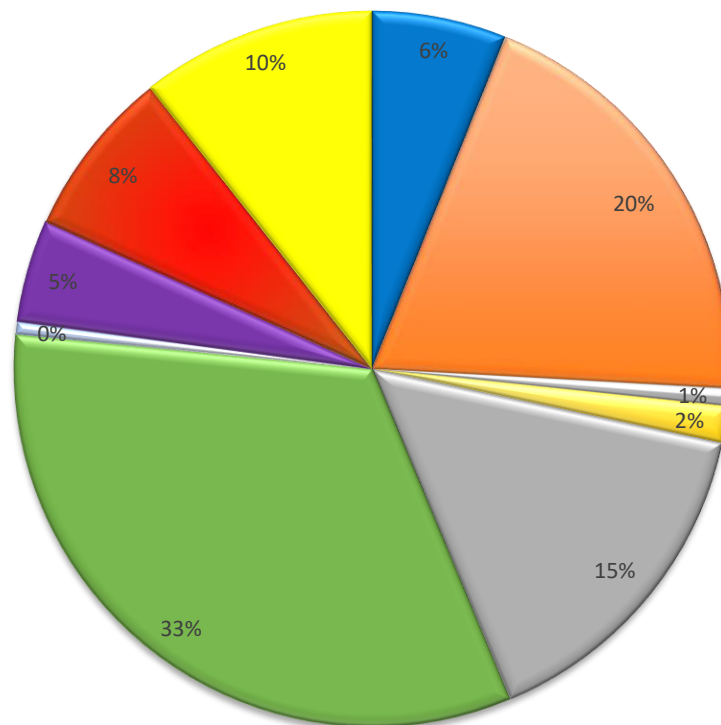
<b>Total Dollar Value of Projects Without MoDOT: \$1,157,747,526.03</b>	<b>Dollar Value</b>	<b>%</b>
Dollar Value of Projects Under \$500,000	\$107,050,349.70	9.25%
Dollar Value of Projects At Or Over \$500,000	\$1,050,697,176.33	90.75%

**Total Dollar Value of Projects By % (Without MoDOT)**



Project Owner Type (With MoDOT)	Number	%
County	139	6.09%
Higher Education	451	19.77%
Library District	18	0.79%
MDC	38	1.67%
MoDOT	350	15.34%
Municipal	750	32.88%
National Guard	13	0.57%
Other	106	4.65%
School District	174	7.63%
State of Missouri	242	10.61%

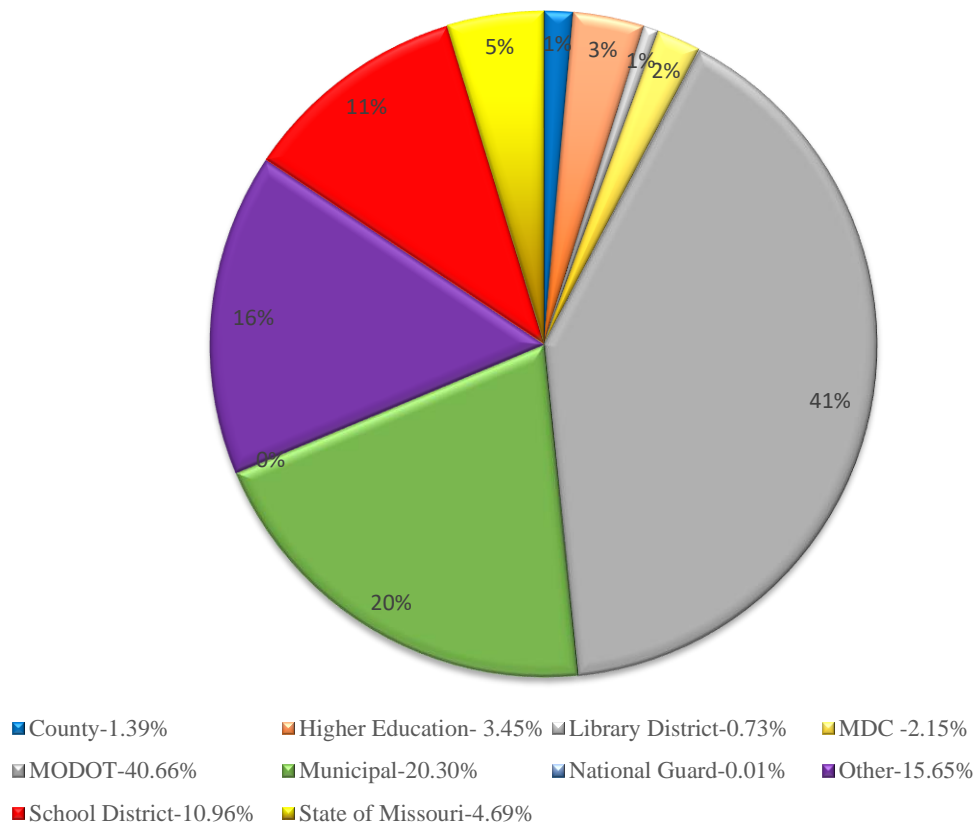
**Project Owner Type (With MoDOT)**



■ County-6.09%      ■ Higher Education-19.77%      ■ Library District-0.79%      ■ MDC-1.67%  
 ■ MoDOT-15.34%      ■ Municipal-32.88%      ■ National Guard-0.57%      ■ Other-4.65%  
 ■ School District-7.63%      ■ State of Missouri-10.61%

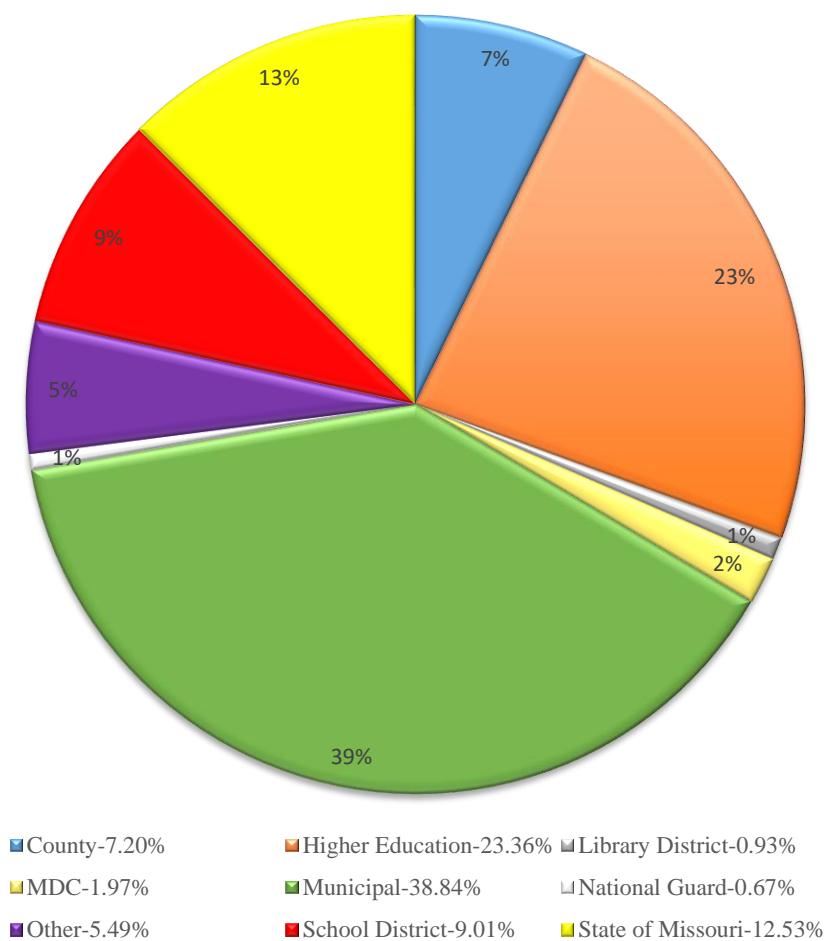
Project Owner Type By Dollar Value (With MoDOT)	Dollar Value	%	% Diff.
County	\$27,210,391.35	1.39%	-4.7%
Higher Education	\$67,367,075.76	3.45%	-16.32%
Library District	\$14,201,867	0.73%	-0.06%
MDC	\$41,983,101.79	2.15%	0.48%
MoDOT	\$793,196,740.55	40.66%	25.32%
Municipal	\$396,112,417.02	20.30%	-12.58%
National Guard	\$203,289.00	0.01%	-0.56%
Other	\$305,323,620.63	15.65%	11%
School District	\$213,831,237.54	10.96%	3.33%
State of Missouri	\$91,514,525.94	4.69%	-5.92%

**Project Owner Type By Dollar Value (With MoDOT)**



Project Owner Type (Without MoDOT)	Number	%
County	139	7.20%
Higher Education	451	23.36%
Library District	18	0.93%
MDC	38	1.97%
Municipal	750	38.84%
National Guard	13	0.67%
Other	106	5.49%
School District	174	9.01%
State of Missouri	242	12.53%

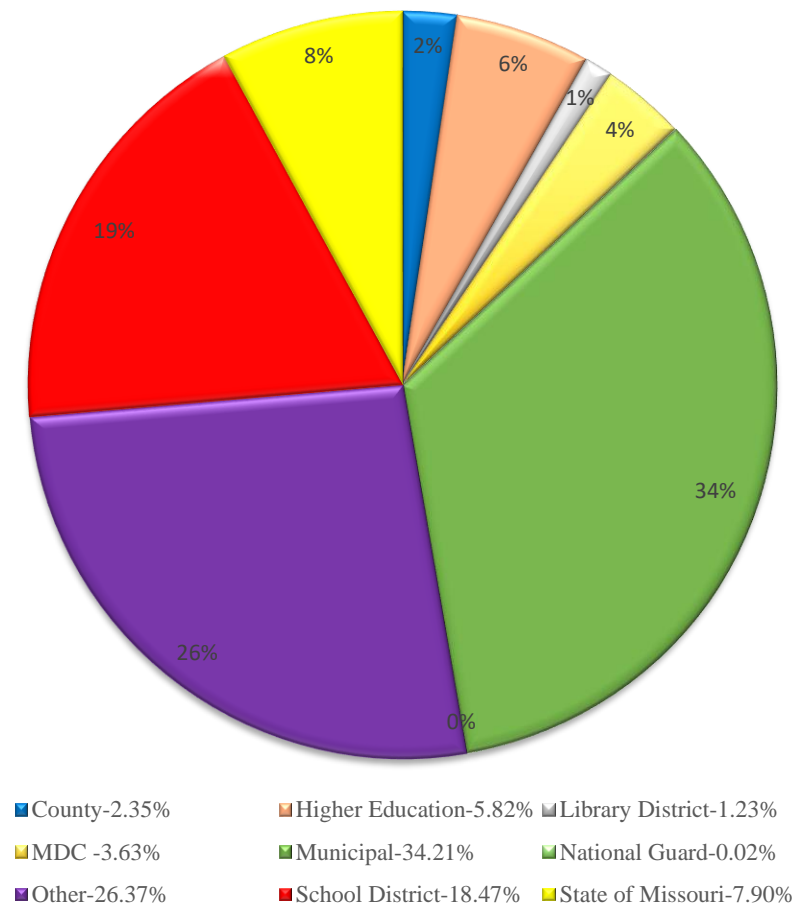
**Project Owner Type (Without MoDOT)**





Project Owner Type By Dollar Value (Without MoDOT)	Dollar Value	%	% Diff.
County	\$27,210,391.35	2.35%	-4.85%
Higher Education	\$67,367,075.76	5.82%	-17.54%
Library District	\$14,201,867	1.23%	0.3%
MDC	\$41,983,101.79	3.63%	1.66%
Municipal	\$396,112,417.02	34.21%	-4.63%
National Guard	\$203,289.00	0.02%	-0.65%
Other	\$305,323,620.63	26.37%	20.88%
School District	\$213,831,237.54	18.47%	9.46%
State of Missouri	\$91,514,525.94	7.90%	-4.63%

**Project Owner Type By Dollar Value (Without MoDOT)**



## Contractor Survey – Labor as a Percentage of Total Project Cost

<b>ID</b>	<b>General Contractor or Subcontractor</b>	<b>Type of Construction (Heavy/Highway or Building)</b>	<b>Private, Davis-Bacon, Prevailing Wage</b>	<b>Labor (% of Self-Performed Work)</b>
Contractor A	GC	Heavy/Highway	DB/PW	19.0%
Contractor A	GC	Heavy/Highway	DB/PW	16.0%
Contractor B	Sub	Heavy/Highway	PW	18.3%
Contractor B	Sub	Heavy/Highway	PW	16.1%
Contractor B	Sub	Heavy/Highway	PW	19.6%
Contractor C	Sub	Building	Private	34.8%
Contractor C	Sub	Building	Private	32.5%
Contractor C	Sub	Building	PW	33.9%
Contractor D	GC	Heavy/Highway	PW	24.9%
Contractor D	GC	Heavy/Highway	PW	31.4%
Contractor D	GC	Building	DB	36.2%
Contractor E	GC	Building	PW	29.5%
Contractor E	GC	Building	PW	35.4%
Contractor E	GC	Building	Private	21.2%
Contractor E	GC	Building	PW	11.9%
Contractor F	GC	Heavy/Highway	PW	21.0%
Contractor F	GC	Building	PW	36.0%
Contractor F	GC	Building	PW	42.0%
Contractor G	GC	Building	Private	51.6%

Contractor G	GC	Building	Private	49.4%
Contractor G	GC	Building	PW	30.5%
Contractor G	GC	Building	Private	32.6%
Contractor H	GC	Heavy/Highway	DB	36.5%
Contractor H	GC	Heavy/Highway	DB	34.6%
Contractor H	GC	Heavy/Highway	DB	32.7%
Contractor I	GC	Building	DB	40.5%
Contractor I	GC	Building	Private	39.8%
Contractor I	GC	Building	Private	41.3%
Contractor I	GC	Building	PW	39.4%
Contractor I	GC	Building	Private	42.4%
Contractor I	GC	Building	PW	40.5%
Contractor I	GC	Building	Private	44.8%

Average – All Work: 32.4%  
 Average – Heavy/Highway: 24.6%  
 Average – Building: 36.5%  
 Average reported by MoDOT: 25% to 35%

## Prevailing Wage vs County Average Wage

Occupation	PW Rates	PW Fringes	Prevailing Wage Averages	County Average Hourly Wage	50% Davis Bacon	County Average as % of Prevailing Wage
Asbestos Worker	\$29.57	\$14.94	\$44.51	\$22.18	\$22.26	49.83%
Carpenter	\$29.41	\$16.81	\$46.22	\$22.18	\$23.11	47.99%
Elevator Constructor	\$46.27	\$33.14	\$79.41	\$22.18	\$39.71	27.93%
Inronworker	\$30.11	\$26.92	\$57.03	\$22.18	\$28.52	38.89%
General Laborer	\$23.59	\$12.86	\$36.22	\$22.18	\$18.11	61.24%
First Semi Skilled Laborer	\$25.29	\$13.16	\$38.45	\$22.18	\$19.23	57.69%
Second Semi Skilled Laborer	\$24.27	\$13.15	\$36.97	\$22.18	\$18.49	59.99%
Linoleum Layer and Cutter	\$29.84	\$16.44	\$46.28	\$22.18	\$23.14	47.93%
Operating Engineer	\$31.26	\$20.86	\$52.12	\$22.18	\$26.06	42.56%
Painter	\$25.38	\$11.99	\$37.16	\$22.18	\$18.58	59.69%
Pipe Fitter	\$37.46	\$23.30	\$60.76	\$22.18	\$30.38	36.50%
Sheet Metal Worker	\$35.68	\$21.71	\$54.55	\$22.18	\$27.28	40.66%
Averages for All (unweighted)	\$35.48	\$19.24	\$49.14	\$22.18	\$24.57	45.14%

## Savings Estimates

Total non-MoDOT public works projects: \$1,157,747,526

Labor = 32.4% of total (0.324 x \$1,157,747,526): \$375,110,198

33% estimated labor savings (0.33 x \$375,110,198): \$123,786,365

10% cost savings estimate is assumed because \$123,789,365 is 10.1% of \$1,157,747,526

## MERIC County Average Wages

2016 Total Wages for All Industries, Private Ownership		
County	Avg Annual Wages	Avg Hourly Wage
ADAIR	\$29,404	\$14.14
ANDREW	\$32,230	\$15.50
ATCHISON	\$29,844	\$14.35
AUDRAIN	\$33,818	\$16.26
BARRY	\$37,554	\$18.05
BARTON	\$28,738	\$13.82
BATES	\$28,885	\$13.89
BENTON	\$26,111	\$12.55
BOLLINGER	\$26,235	\$12.61
BOONE	\$37,442	\$18.00
BUCHANAN	\$42,140	\$20.26
BUTLER	\$30,994	\$14.90
CALDWELL	\$32,102	\$15.43
CALLAWAY	\$42,720	\$20.54
CAMDEN	\$29,575	\$14.22
CAPE GIRARDEAU	\$38,761	\$18.64
CARROLL	\$31,401	\$15.10
CARTER	\$23,515	\$11.31
CASS	\$32,672	\$15.71
CEDAR	\$24,205	\$11.64
CHARITON	\$31,075	\$14.94
CHRISTIAN	\$29,733	\$14.29
CLARK	\$25,790	\$12.40
CLAY	\$47,020	\$22.61
CLINTON	\$32,033	\$15.40
COLE	\$39,433	\$18.96
COOPER	\$30,263	\$14.55
CRAWFORD	\$37,454	\$18.01
DADE	\$30,279	\$14.56
DALLAS	\$23,503	\$11.30
DAVISS	\$26,793	\$12.88
DEKALB	\$37,367	\$17.96
DENT	\$27,758	\$13.35
DOUGLAS	\$24,800	\$11.92
DUNKLIN	\$24,588	\$11.82
FRANKLIN	\$37,910	\$18.23
GASCONADE	\$28,375	\$13.64

2016 Total Wages for All Industries, Public and Private		
County	Avg Annual Wages	Avg Hourly Wage
ADAIR	\$31,403	\$15.10
ANDREW	\$31,425	\$15.11
ATCHISON	\$30,129	\$14.49
AUDRAIN	\$33,947	\$16.32
BARRY	\$37,000	\$17.79
BARTON	\$29,581	\$14.22
BATES	\$30,309	\$14.57
BENTON	\$28,164	\$13.54
BOLLINGER	\$27,005	\$12.98
BOONE	\$42,037	\$20.21
BUCHANAN	\$41,657	\$20.03
BUTLER	\$32,724	\$15.73
CALDWELL	\$30,105	\$14.47
CALLAWAY	\$40,183	\$19.32
CAMDEN	\$29,961	\$14.40
CAPE GIRARDEAU	\$38,566	\$18.54
CARROLL	\$31,120	\$14.96
CARTER	\$25,587	\$12.30
CASS	\$33,537	\$16.12
CEDAR	\$26,396	\$12.69
CHARITON	\$30,109	\$14.48
CHRISTIAN	\$30,689	\$14.75
CLARK	\$26,041	\$12.52
CLAY	\$46,728	\$22.47
CLINTON	\$32,549	\$15.65
COLE	\$40,332	\$19.39
COOPER	\$30,685	\$14.75
CRAWFORD	\$36,581	\$17.59
DADE	\$28,545	\$13.72
DALLAS	\$25,743	\$12.38
DAVISS	\$27,306	\$13.13
DEKALB	\$35,863	\$17.24
DENT	\$29,075	\$13.98
DOUGLAS	\$26,514	\$12.75
DUNKLIN	\$26,002	\$12.50
FRANKLIN	\$37,760	\$18.15
GASCONADE	\$28,893	\$13.89

<b>GENTRY</b>	\$32,369	\$15.56
<b>GREENE</b>	\$40,215	\$19.33
<b>GRUNDY</b>	\$34,385	\$16.53
<b>HARRISON</b>	\$25,724	\$12.37
<b>HENRY</b>	\$33,517	\$16.11
<b>HICKORY</b>	\$22,902	\$11.01
<b>HOLT</b>	\$34,871	\$16.76
<b>HOWARD</b>	\$29,902	\$14.38
<b>HOWELL</b>	\$31,582	\$15.18
<b>IRON</b>	\$39,670	\$19.07
<b>JACKSON</b>	\$53,426	\$25.69
<b>JASPER</b>	\$39,582	\$19.03
<b>JEFFERSON</b>	\$34,650	\$16.66
<b>JOHNSON</b>	\$29,386	\$14.13
<b>KNOX</b>	\$25,981	\$12.49
<b>LACLEDE</b>	\$32,022	\$15.40
<b>LAFAYETTE</b>	\$31,638	\$15.21
<b>LAWRENCE</b>	\$33,535	\$16.12
<b>LEWIS</b>	\$30,865	\$14.84
<b>LINCOLN</b>	\$37,308	\$17.94
<b>LINN</b>	\$33,798	\$16.25
<b>LIVINGSTON</b>	\$31,993	\$15.38
<b>MCDONALD</b>	\$33,003	\$15.87
<b>MACON</b>	\$31,764	\$15.27
<b>MADISON</b>	\$26,619	\$12.80
<b>MARIES</b>	\$30,028	\$14.44
<b>MARION</b>	\$34,941	\$16.80
<b>MERCER</b>	\$34,531	\$16.60
<b>MILLER</b>	\$30,041	\$14.44
<b>MISSISSIPPI</b>	\$29,170	\$14.02
<b>MONITEAU</b>	\$31,179	\$14.99
<b>MONROE</b>	\$29,607	\$14.23
<b>MONTGOMERY</b>	\$31,720	\$15.25
<b>MORGAN</b>	\$26,995	\$12.98
<b>NEW MADRID</b>	\$34,467	\$16.57
<b>NEWTON</b>	\$33,870	\$16.28
<b>NODAWAY</b>	\$31,833	\$15.30
<b>OREGON</b>	\$22,992	\$11.05
<b>OSAGE</b>	\$34,352	\$16.52
<b>OZARK</b>	\$21,822	\$10.49
<b>PEMISCOT</b>	\$29,745	\$14.30
<b>PERRY</b>	\$35,235	\$16.94
<b>PETTIS</b>	\$32,732	\$15.74
<b>PHELPS</b>	\$33,759	\$16.23

<b>GENTRY</b>	\$31,826	\$15.30
<b>GREENE</b>	\$40,550	\$19.50
<b>GRUNDY</b>	\$32,811	\$15.77
<b>HARRISON</b>	\$27,761	\$13.35
<b>HENRY</b>	\$35,348	\$16.99
<b>HICKORY</b>	\$24,673	\$11.86
<b>HOLT</b>	\$33,074	\$15.90
<b>HOWARD</b>	\$29,444	\$14.16
<b>HOWELL</b>	\$31,826	\$15.30
<b>IRON</b>	\$38,396	\$18.46
<b>JACKSON</b>	\$53,419	\$25.68
<b>JASPER</b>	\$39,172	\$18.83
<b>JEFFERSON</b>	\$35,462	\$17.05
<b>JOHNSON</b>	\$34,413	\$16.54
<b>KNOX</b>	\$25,512	\$12.27
<b>LACLEDE</b>	\$32,277	\$15.52
<b>LAFAYETTE</b>	\$31,490	\$15.14
<b>LAWRENCE</b>	\$34,172	\$16.43
<b>LEWIS</b>	\$30,117	\$14.48
<b>LINCOLN</b>	\$37,149	\$17.86
<b>LINN</b>	\$32,891	\$15.81
<b>LIVINGSTON</b>	\$32,282	\$15.52
<b>MCDONALD</b>	\$33,254	\$15.99
<b>MACON</b>	\$32,243	\$15.50
<b>MADISON</b>	\$27,910	\$13.42
<b>MARIES</b>	\$28,755	\$13.82
<b>MARION</b>	\$34,815	\$16.74
<b>MERCER</b>	\$33,978	\$16.34
<b>MILLER</b>	\$30,589	\$14.71
<b>MISSISSIPPI</b>	\$29,881	\$14.37
<b>MONITEAU</b>	\$31,035	\$14.92
<b>MONROE</b>	\$29,650	\$14.25
<b>MONTGOMERY</b>	\$31,767	\$15.27
<b>MORGAN</b>	\$27,106	\$13.03
<b>NEW MADRID</b>	\$34,323	\$16.50
<b>NEWTON</b>	\$33,887	\$16.29
<b>NODAWAY</b>	\$32,936	\$15.83
<b>OREGON</b>	\$24,299	\$11.68
<b>OSAGE</b>	\$33,812	\$16.26
<b>OZARK</b>	\$23,472	\$11.28
<b>PEMISCOT</b>	\$30,369	\$14.60
<b>PERRY</b>	\$35,353	\$17.00
<b>PETTIS</b>	\$33,360	\$16.04
<b>PHELPS</b>	\$37,464	\$18.01

<b>PIKE</b>	\$32,034	\$15.40
<b>PLATTE</b>	\$44,272	\$21.28
<b>POLK</b>	\$29,349	\$14.11
<b>PULASKI</b>	\$25,911	\$12.46
<b>PUTNAM</b>	\$25,494	\$12.26
<b>RALLS</b>	\$43,828	\$21.07
<b>RANDOLPH</b>	\$35,019	\$16.84
<b>RAY</b>	\$33,560	\$16.13
<b>REYNOLDS</b>	\$23,557	\$11.33
<b>RIPLEY</b>	\$20,348	\$9.78
<b>ST CHARLES</b>	\$43,520	\$20.92
<b>ST. CLAIR</b>	\$23,703	\$11.40
<b>STE. GENEVIEVE</b>	\$40,961	\$19.69
<b>ST. FRANCOIS</b>	\$29,206	\$14.04
<b>ST LOUIS CO</b>	\$56,646	\$27.23
<b>SALINE</b>	\$32,751	\$15.75
<b>SCHUYLER</b>	\$26,774	\$12.87
<b>SCOTLAND</b>	\$23,215	\$11.16
<b>SCOTT</b>	\$34,524	\$16.60
<b>SHANNON</b>	\$22,236	\$10.69
<b>SHELBY</b>	\$28,563	\$13.73
<b>STODDARD</b>	\$33,512	\$16.11
<b>STONE</b>	\$29,621	\$14.24
<b>SULLIVAN</b>	\$40,450	\$19.45
<b>TANEY</b>	\$28,626	\$13.76
<b>TEXAS</b>	\$27,041	\$13.00
<b>VERNON</b>	\$34,814	\$16.74
<b>WARREN</b>	\$36,088	\$17.35
<b>WASHINGTON</b>	\$23,931	\$11.51
<b>WAYNE</b>	\$23,380	\$11.24
<b>WEBSTER</b>	\$30,436	\$14.63
<b>WORTH</b>	\$23,985	\$11.53
<b>WRIGHT</b>	\$28,417	\$13.66
<b>ST LOUIS CITY</b>	\$57,846	\$27.81
<b>STATEWIDE</b>	<b>\$46,564</b>	<b>\$22.39</b>

<b>PIKE</b>	\$32,063	\$15.41
<b>PLATTE</b>	\$44,582	\$21.43
<b>POLK</b>	\$33,043	\$15.89
<b>PULASKI</b>	\$36,199	\$17.40
<b>PUTNAM</b>	\$27,593	\$13.27
<b>RALLS</b>	\$42,724	\$20.54
<b>RANDOLPH</b>	\$34,382	\$16.53
<b>RAY</b>	\$33,111	\$15.92
<b>REYNOLDS</b>	\$24,640	\$11.85
<b>RIPLEY</b>	\$23,354	\$11.23
<b>ST CHARLES</b>	\$43,446	\$20.89
<b>ST. CLAIR</b>	\$25,959	\$12.48
<b>STE. GENEVIEVE</b>	\$40,857	\$19.64
<b>ST. FRANCOIS</b>	\$30,246	\$14.54
<b>ST LOUIS CO</b>	\$55,974	\$26.91
<b>SALINE</b>	\$32,555	\$15.65
<b>SCHUYLER</b>	\$25,282	\$12.15
<b>SCOTLAND</b>	\$28,932	\$13.91
<b>SCOTT</b>	\$34,864	\$16.76
<b>SHANNON</b>	\$23,390	\$11.25
<b>SHELBY</b>	\$26,797	\$12.88
<b>STODDARD</b>	\$33,375	\$16.05
<b>STONE</b>	\$30,094	\$14.47
<b>SULLIVAN</b>	\$38,758	\$18.63
<b>TANEY</b>	\$29,321	\$14.10
<b>TEXAS</b>	\$28,861	\$13.88
<b>VERNON</b>	\$34,746	\$16.70
<b>WARREN</b>	\$35,859	\$17.24
<b>WASHINGTON</b>	\$27,825	\$13.38
<b>WAYNE</b>	\$24,742	\$11.90
<b>WEBSTER</b>	\$30,968	\$14.89
<b>WORTH</b>	\$25,467	\$12.24
<b>WRIGHT</b>	\$28,648	\$13.77
<b>ST LOUIS CITY</b>	\$57,188	\$27.49
<b>STATEWIDE</b>	<b>\$46,125</b>	<b>\$22.18</b>

# MML Survey

MML Prevailing Wage Survey - May, 2017



Name; Title; City	Name of project delayed due to Prevailing Wage?	Estimated Labor Cost With Prevailing Wage?	Estimated Labor Cost W/O Prevailing Wage?	Please provide any comments regarding how prevailing wage impacts your municipality's ability to complete public works projects?
Matt Zimmerman, City Manager, Hazelwood	None	see comments	See comments	I am not aware of the City holding up any projects due to higher costs caused by the requirement to pay prevailing wages. Since the City does not offer an alternate of bidding without paying prevailing wages, I cannot calculate the cost.
Don Triplett, Mayor, Sarcoux	Replacement of pavilion at city park	6750	3750	Please fix this. We are a small city trying hard to improve our city and living within our means. We would have no issue taking bids and paying a fair price for outsourced projects but prevailing wages is an absolutely unpalatable. Prevailing wage always result in increased costs, scares away local bidders, and drives project costs well above local fair market prices. It is also an administrative headaches, overly complicates relatively simple projects, and is not the best use of local tax dollars. To avoid the headaches and expenses of prevailing wage issues, we almost always rely on our small public works department to do projects instead of bidding them out. This gets the work done but often not near as well as if it was hired out, deprives local contractors potential work, and takes public works away from their core responsibilities.
Jeff LaGarce, City Manager, Hannibal	<p>Its difficult to complete this survey, because it doesn't "ask the question". We are not delaying projects due to prevailing wage – we can't do that to our constituents, and we have no real indication prevailing wage laws will change. We did hold-off on contracting a \$7 million project this spring, but held-off as long as we could, then decided to move forward. In fact, we are moving forward on all these projects below, despite the fact the Legislature did not repeal prevailing wage laws. Because these projects simply need to be done, and cannot wait. There are many projects – not just one - all funded in the forthcoming year budget, and being either designed or bid now (the largest one below has been under contract for only 2 days; we had to move forward on it). Each are listed below, and I'm assuming a mere 15% markup for prevailing wage. I've been told by engineers that construction projects can inflate 15% to even 30% due to prevailing wage, depending on how labor-intensive the project is. So the projects below assume 15% of that cost is attributable to prevailing wage, which I've always viewed, both professionally and personally as a Missourian, to be a silly protectionist law which comes at great expense to the public we're supposed to be serving, and an affront to good common sense. Simply put, any resident can build a driveway cheaper than the city can do so. Citywide Road Improvement Project \$7,000,000 \$1,050,000 prevailing wage Rebuild the Hannibal Lighthouse \$75,000 \$11,250 prevailing wage Rebuild Huckleberry Lake \$150,000 \$22,500 prevailing wage Riverfront Renovation \$5,400,000 810,000 prevailing wage Repair Grand A venue binwall \$320,000 \$48,000 prevailing wage Shinn Lane Roundabout \$948,000 143,200 prevailing wage Bear Creek Trail Extension \$50,000 \$7,500 prevailing wage Build New Tourism Visitors' Center \$600,000 \$90,000 prevailing wage Total Public Expense/Waste due to prevailing wage \$1,182,450 due to prevailing wage I'd like to make something clear. Hannibal is a small community of 18,000 people; somewhat poor community. This type of capital schedule is highly unusual for us. The \$7 million, \$5.4 million, and \$600,000 projects above all require financing, and are not typical for us. They are major initiatives of "one time" nature. But . . . in the 2017/18 fiscal year, we will spend more money on prevailing wage than it costs to fund any city department, except police and fire. Restated, the prevailing wage "hit" for these projects dwarfs – and I mean dwarfs by a long-shot - the costs to operate any single city department except police and fire. Sad. Please feel free to share this reply with Representative Love. Jeff LaGarce Hannibal City Manager</p>			



Mari Macomber, City Manager, Kirksville				Project #1 – installation of insulation in building – budget \$40,000 – bid it without prevailing wage – bid came in at \$27,000 – learned it was a prevailing wage project bid was over budget – we regrouped, figured out what needed to be done and did the work ourselves Project #2 – Sidewalk cost share project – at a corner property with an ADA required curb the contractor gave the homeowner a cost of \$5 a running foot for curb – we decided to assist the property owner on this project, thus the reason we knew the cost – our cost based on competitive bid for the same per foot curb is \$29 from the same local contractor Project #3 – Solicited bids for fence for our Fire Department training site – local contractor said if it isn't prevailing wage the cost is \$5/ foot of fence, prevailing wage is \$12 per foot These are just 3 of many projects that are costing significantly more than actual cost.
Steve Wylie, City Manager, Webster Groves	none			
Tim Blakeslee, Assistant to the City Administrator, Parkville	Carpet Replacement	14400	27900	For this project a number of possible bidders excluded themselves due to prevailing wage. We have put the project on hold.
Bruce Rogers, City Manager, El Dorado Springs	New well and pumphouse, paint water tower	well 150,000/paint tower 90,000	well 70,000/paint tower 40,000	It obviously inflates capital costs making any tax more difficult to pass because it must be higher to pay the increased costs. Just as importantly, it makes maintenance costs much higher because the labor department defines virtually everything as being subject to prevailing wage even when it is simple routine maintenance.
Matt Morasch, Public Works Director, Jefferson City	none	laborer \$35 per hour per the wage order rates	laborer \$20 per hour estimated	I don't know the impact other than there is a cost that may be reduced from a labor standpoint, thereby the dollars will stretch further. Labor is only a portion of the project..
Michael Padella, City Administrator, Weldon Spring	Park improvements	N/A	N/A	Besides the increased labor costs associated with prevailing wage requirements, the bidding and specification process is greatly increased too. In order to build any improvement, no matter how small, the bidding must incorporate prevailing wage language and a Wage Order must be requested from the MO Dept. of Labor and incorporated as part of the bid specs. This is both time consuming and costly.
John Butz, City Administrator, Rolla	Nothing active. Animal Shelter Project will be delayed due to additional cost but still raising funds for same.	Can be as little as 5 - 10% on big projects and as much as 20 - 30% on smaller projects.		Large capital improvement projects are primarily done by large contractors who work state-wide or beyond. PW is less of an impact there. Key adverse impact is on the multitude of small projects that we do every year - many small, local contractors are not familiar with prevailing wage laws or pay considerably less than prevailing wages.
Tim Schook, City Administrator, Mountain Grove	None at this time but just finished one	0	120000	The prevailing wage really impacts smaller cities such as ours. Contractors in our area do not normally pay the wages called out as prevailing wage. The prevailing wage law makes us scratch projects or try to do them with just the staff we have. It would be much easier and better for our local tax payers if this law were to be changed.

Margie Long, City Clerk, Henrietta	None	Unknown as this has to come at the time we solicit bids for what the project is.	\$16.80 is our top maintenance employee	Prevailing wage eliminates a bunch of project we could do as a small city. One of the main reasons is because our maintenance department can't do several projects and are forced to go out for bids on those. Due to the city not being able to do the work ourselves, we are forced to bid at prevailing wage. Due to the wages being so expensive, we are unable to do the project, because our small budget won't allow us to complete the project because the labor becomes so costly to us.
Susan Gibson, Mayor, Byrnes Mill	we have no projects being delayed	NA	NA	Our largest project recently has been the construction of a new city hall. I can't think of any impact prevailing wage had on our decision making.
Russell Rost, City Administrator, Union	Pool office roof	15000	13800	This project is one of many that we have that could be done in house with existing staff that are constantly being delayed because of additional costs related to bidding and finding bidders willing to do small jobs in a very busy construction market.
Jamie morey, Mayor/ board member of ambulance district, Dearborn/NRAD	Constructing new streets for city/building a couple new ambulance stations	Unsure. Haven't gotten bids yet	See question 6	City wise we are a town of 500 so it's hard to build needed amintities figuring in the price for prevailing wages when it's the same labor qualities! The same labor shouldn't have two different prices just cause it's for a municipality! Also getting the same job done at a cheaper price only saves the tax payers money in return they can keep it in the economy in other ways!
Kelli Lewis, City Clerk, Levasy	N/A	N/A	N/A	
Donald Stolberg, Management Analyst, Saint Charles	N/A	N/A	N/A	We are required to comply with prevailing wage on all projects, so comparing them to costs without prevailing wage would not be possible.
Tony Stonecypher, City Administrator, Gallatin	Street resurfacing	140000	112000	We are currently working on a new water plant and prevailing wage rules easily added 20% to the cost of the construction. In rural MO this means even more money going to the cities as most contractors that can afford to work for government projects have most of their workers come from the city. That extra 20% leaves and impacts the available cash in our community as well as more of it is needed for taxes and utility fees to pay the bloated bonds.. It is a huge negative impact on our economy.
David Slater, Mayor, Pleasant Valley	N/A			
Casey Brunke, City Engineer, Cape Girardeau	All capital improvement projects indicated in the Capital Improvement Program for Fiscal 2017-2022	23922969	11961484	Severely impacts how smaller projects, such as a short water main relocation, can be completed with the City's contracted water system manager.
Anne Lamitola, Director of Public Works, Ladue	none	see current wage order for St. Louis County	unknown	The biggest challenge is understanding what projects are exempt from prevailing wage due to the extremely narrow definition of "maintenance"
Donna Martin, City Clerk, Thayer	none at the current time			Our budget is extremely tight. It is hard for us to do any kind of project that is not funded by grant or loan.

john tracy, city administrator, milan, missouri	sub-station	158000	108000	Prevailing Wage impacts cost on all public works projects
Murray A. Bruer, Mayor, Truesdale, Warren county	see #8	see #8	see #8	Truesdale is a small city under 1000 pop. Prevailing wage affects us by adding additional cost we can't really afford, and prevailing wage requirements have made us reconsider doing projects. It also affects the next project, it delays future projects until we can save funds enough for those projects. Repealing Prevailing wage would allow us and other small cities to do more projects.
Keith Vertrees, Mayor, Foley, MO	None	None	None	Does not affect us.
Chris Sandie, Director of Public Works, Blue Springs	Sidewalk construction	46.37	43.11	In our experience, the use of prevailing wage has a larger impact on smaller projects, like stand alone sidewalk replacement. The subcontractors pay union scale, which is generally comparable to prevailing wage. It is possible to hire nonunion contractors. However, the good contractors pay the union rate to attract quality help. The others work for subs that pay about \$20.00 to \$25.00 per hour. Those companies generally perform substandard work and then require a higher level of supervision and then ultimately rework, causing project delays and bad PR for the municipalities.
joe lane, mayor, senath	water lines and water tower			
Ashley Boehmer, City Clerk, Alma	NA	NA	NA	We have no projects in progress at this time.
Sheila Matlock, City Clerk, Mansfield	None at this time	unknown	unknown	It is of coarse a major cost concern for any project that we have.
David Norman, Mayor, Ava, Missouri	sidewalk improvements, electric dept shed, street dept sheds	250000	20000	We are a town of 3000. Most of our projects will be under the \$500,000 dollar range but our city hall remodeling exceeding that amount. All school issues will be over \$500,000 dollars. Prevailing wage discourages local bidding and simply adds 20 to 25% to our costs.
Lonnie Thurmond, City Administrator@eastprairiemo.net, East Prairie, MO	Street, ADA sidewalk, curb and guttering, and lighting	Project cost \$480,000 with prevailing wage	Project cost \$100,000 without prevailing wage	Cost of a grant from MoDOT was 80% with the city paying 20%. The cost of the total project was approximately \$480,000 with the city paying \$96,000. If the city hired local contractors and used city workers also, the cost would only have been just over \$100,000 not including engineering. We use our own engineering. We are a city of 3,321 population and are limited on what we spend. We calculated this and decided not to receive the innovative grant. Therefore we could not even use a grant for this project.
Len Pagano, Mayor, St Peters	N/A	N/A	N/A	Prevailing Wage brings fair bidding

Drew Bontrager, Public Works Director, Cameron	Groat Street Project	350000	245000	As a small rural community in northwest Missouri, many of our local contractors will not work on any of our city projects due to the extra paperwork and cost to their company through their increased employee costs because of prevailing wage. This leaves us with only one or sometimes no bids. There are many other additional costs on city staff for items such as the on-site interviews, payroll, and additional paperwork. All of these unnecessary items add a considerable amount of time to city staff that is not easy quantifiable in dollars.
Clint Ellingsworth , Mayor, Highlandville	City hall roof repair, box culvert repair, road resurfacing	75000	59000	We have no tax base. No real estate or property tax. We can't pay for projects with tax money.
Jim Kasten, City Administrator, Herculaneum	No project is being delayed!	NA	NA	We pay prevailing wage because it is the right thing to do! It is shameful that public officials want to short change workers and their families!
Micheal Moeller, Mayor, Maryland Heights	None that has never been a problem	Prevailing wage is the only way to bid projects with a fair and level playing field	Have never bid projects this unfair way	Prevailing wage provides fair wages and benefits for the workers doing the job and levels the bidding for the contractors. Without P/W it is only bidding who can get the cheapest not the most qualified labor. The public will suffer from poorer quality and inferior work. Thanks Mike
Mrs. Dee Friel, Mayor, Sweet Springs, MO				Since we are so small and on a limited budget, we have great difficulty meeting prevailing wage.
Lynda Wilson , Mayor, Northmoor	Repair of concrete barrier wall	320000	240000	We are a small 4th class city near Riverside and must watch every expenditure to keep our budget on track. This change will help us most certainly
LISA GOODNIGHT, CITY CLERK, GAINESVILLE	NONE	UNKNOWN	UNKNOWN	The City of Gainesville is in the last stages of approval to begin construction of a sewer treatment facility. Any change will directly impact the cost of labor during the time of construction. The City of Gainesville sustained substantial damage during the recent flood that will require a lot of repair that we were not prepared for.
Jackie Pangborn, Director of Administration, Monroe City				No projects are being delayed at this time because we know when we budget we have to provide for prevailing wage. However, the amount of money that we have to pay for prevailing wage on a project decreases other amenities that we could provide for our citizens. If we want to purchase a property and tear down the house, the labor on tearing down the house is around three times what the original owner could have done it for. The money we could have saved by not having to pay prevailing wage could assist in purchasing and clearing another abandoned property.
Brent Buerck, City Administrator, Perryville				We have not consciously delayed projects hoping prevailing wage passed as the show must go on. I will say this makes many of our projects, however, more costly and certainly adds to the administrative burden. We have been told repeatedly this amounts to upwards of 30% higher bid prices. We also know that it opens up our projects to contractors outside of our local market. It does very little good for us to pay prevailing wage if it simply allows a contractor from out of town (perhaps the St. Louis metro) to come to Perryville, get the bid and take the money with them when they leave. The current definitions are hard to explain, especially to smaller contractors and are completely unreasonable. At a Department of Labor training, I was told that bending a toilet's ballcock is maintenance

				<p>while replacing it is construction and must be prevailing wage. Projects such as this should simply go to the lowest bidder. We are also in the planning stages for a new wastewater treatment plant. It is estimated at \$20-25 million. If the 30% is a good number, it could be as much as \$6-8 million cheaper if it doesn't require prevailing wage. I have no doubt we would still get a good bidder as our local industry has no problems finding good contractors and they do not pay prevailing wage. We also just passed a major school bond issue. Why wouldn't we want to stretch their limited resources as far as possible by doing away with prevailing wage and simply allowing the lowest bidder to proceed. I also had a local company explain they do not like bidding on prevailing wage jobs as it causes personnel problems as everyone wants to work those jobs as opposed to their other jobs, which are at the actual market value for salary as opposed to the inflated prevailing wage numbers. If necessary, I would be happy to testify if it helps move this critical matter forward. Let's get back to free market systems and allow the lowest and best bidder to get the work.</p>
Gene w Rhorer, Mayor, Ashland	None	None	None	This evidently does not apply
Richard Goode, City Manager, Charleston, MO	New fire station building	Total project cost = \$686,000	Total project cost = \$493,000	Many contractors in our area will not bid on a prevailing wage project because they do not want to pay their workers prevailing wage on one job and then go back to their normal pay rate afterwards. The contractors also do not want to do the paperwork related to prevailing wage.
Mayor David Lange, Mayor, Marthasville	No projects being delayed at this time			Prevailing wage doesn't really impact our community.
Bill Kolas, Elected official - Mayor, Higginsville	No delay but several projects pending in the near future	not available but guaranteed to be higher	also not available but would be lower	Lafayette County gets paired with Jackson County and consequently has to abide by the prevailing wages of Jackson County. Most if not all of the construction needed to be completed in Lafayette County can be done with local and in state contractors. Thus, being able to be more competitive and the project's final costs being less.
Mark Davis, City Clerk, Greenfield	Remodel of City Hall	9600	3300	As a small town, 4th class city pop. 1340 we simply cannot afford to pay prevailing wage to get our City Hall remodeled. We tabled the idea last year when we discovered we HAD to pay prevailing wage. Our place looks terrible as it hasn't had any updates in 25 years. If prevailing wage is repealed we are prepared to move forward. Please repeal this!!!
Gregg Sweeten, Mayor, Pineville	Water tower	85000	41000	We must be the stewards of the citizens money, we are wasting their money with prevailing wage because it doubles the price of anything we do as a municipal government. We could get some much done if the high cost of prevailing wages didn't have to be paid. I have fought against this every since I have been elected Mayor. Some projects are just not able to be accomplished due to the prevailing wage cost.
Kathy, city clerk, Fordland	None			
City of Ash Grove, Mayor, Yes	Painting; Remodeling; Water Project, etc.	Painting @ \$28.00 per hour.	Could be bid by job -- likely about \$10 - \$12 per hour	Although none of our projects are projects over \$20K, the prevailing wage doubles or triples the cost while also moving the dollars outside of our town as there is no one here who will bid a prevailing wage job because of the paperwork process.

Collin Brannan, Mayor, Crane				While we do not currently have any planned projects, our concern is with normal maintenance projects. We understand that new projects are a different argument - especially those of significant size such as our last water tower construction. But our biggest struggle is the ongoing maintenance work that needs to be done like re-paving streets and other routine and expected repairs that should not fall under prevailing wage. Thanks so much for listening!!!
Tim Seher, Mayor, Lakeshire	None	None	None	
Doug Kermick, City Administrator, Knob Noster	Street repair projects	approx \$1mil	approx \$500k	Because of prevailing wage we are limited in the scope of work we can accomplish each year when bidding out street repairs or any other types of work. Without prevailing wage we will have more \$\$\$'s to accomplish capital improvement projects.
William E. Bensing Jr., Director of Public Services, Kirkwood	N/A	N/A	N/A	Currently prevailing wages do not prevent projects from being implemented. Saving could be seen on smaller scale public works projects, building renovations and building improvements.
Steve Lawver, City Administrator, Carl Junction	Lift Station	37000	31000	Instead of doing 2 or 3 projects a year for I&I correction we budget for 1 and extend the time frame that we do the projects.
Sharon Barker, City Clerk, Wellington	None	N/A	N/A	None
Jason L. Kotz, PHR, SHRM-CP, Human Resources Manager, Brentwood	N/A	N/A	N/A	It really does not impact us at all as we are currently above the prevailing wage.

## U.S. DoL Table of Dollar Threshold Amounts for Contract Coverage Under State Prevailing Wage Laws

STATE <sup>1</sup>	THRESHOLD AMOUNT
Alaska	\$ 25,000
Arkansas	\$ 75,000
California	\$ 1,000 <sup>2</sup>
Connecticut	\$ 400,000 for new construction \$ 100,000 for remodeling
Delaware	\$ 100,000 for new construction \$ 15,000 for alteration, repair, renovation, rehabilitation, demolition, or reconstruction
Hawaii	\$ 2,000
Illinois	None
Indiana	None <sup>3</sup>
Kentucky	\$ 250,000
Maine	\$ 50,000
Maryland	\$ 500,000 and either of the following criteria are met: (1) the contracting public body is a unit of State Government or an instrumentality of the State, and there is any State funding for the project; or (2) the contracting public body is a political subdivision, agency, person, or entity (such as a county), and the State funds 50% or more of the project except for school construction which must be 25% or more State funded.
Massachusetts	None
Michigan	None
Minnesota	\$ 25,000 where more than one trade is involved \$ 2,500 where a single trade is involved
Missouri	None
Montana	\$ 25,000
Nebraska	None
Nevada	\$ 250,000
New Jersey	\$ 2,000 \$ 15,444 \$ 50,000 – aggregate cost for maintenance and repair
New Mexico	\$ 60,000

New York	None
Ohio	\$200,000 for new construction <a href="#">4</a> / \$60,000 for remodeling <a href="#">4</a> /
Oregon	\$ 50,000
Pennsylvania	\$ 25,000
Rhode Island	\$ 1,000
Tennessee	\$ 50,000
Texas	None
Vermont	\$ 100,000
Washington	None <a href="#">5</a> /
West Virginia	None <a href="#">6</a> /
Wisconsin	\$100,000 where a multiple-trade project of public works is involved <a href="#">7</a>  \$48,000 where a single trade project of public works is involved  None for local governmental units <a href="#">7</a>
Wyoming	\$ 25,000

\*Arkansas, Indiana, Kentucky, and West Virginia have all recently repealed their prevailing wage laws.

Please refer questions to Dan Kleinsorge at [Daniel.Kleinsorge@senate.mo.gov](mailto:Daniel.Kleinsorge@senate.mo.gov)